

Session 1: Procedural Episodes



Division of
**Health Care
Finance & Administration**

HEALTH CARE INNOVATION INITIATIVE



Annual Episodes Design Feedback Session
May 22, 2018

Episodes Included in Session 1

Total Joint
Replacement
(TJR)

PCI non-acute

Colonoscopy

Upper GI
Endoscopy (EGD)

CABG

Valve Repair and
Replacement

Cholecystectomy

Bariatric

Breast Biopsy

Tonsillectomy

Approach to the feedback session and objectives for today's discussion

Approach & Process

1. **May 2018:** Gather feedback from Stakeholders across the state on the first 27 episodes implemented
2. **June-July 2018:** Conduct analysis to inform decision of how to incorporate feedback
3. **Fall 2018:** Release memo to public with all episode changes
4. **January 2019:** Incorporate accepted changes into program for calendar year 2019

Objectives & Scope for Today

1. Briefly review the background and objectives of the Tennessee Health Care Innovation Initiative & Episodes of care
2. Review feedback received prior to the meeting regarding specific episodes in this session
3. Presentation from Brittany Cunningham, Vanderbilt University Medical Center on their experience with episodes and value based payment
4. Listen to and capture feedback from stakeholders

The primary purpose of today's session is listening; the state will respond to and incorporate feedback as appropriate over the coming months

National movement toward perinatal episodes

Forty percent of commercial sector payments to doctors and hospitals now flow through value-oriented payment methods. -Catalyst for Payment Reform



"The leading providers are taking an "all in" innovative approach as they do the hard work of developing new organizational competencies and nurturing cultural change from within. Their new high-value models will give them a clear advantage over institutions that fail to act strategically now."

Recent perinatal episodes announcements



Anthem BlueCross BlueShield announced a goal of capturing 20% of commercial perinatal episodes in a bundled payment within a year.



Cigna is collaborating with the U.S. Women's Health Alliance, a coalition of 34 large obstetric/gynecology practices across the country who care for about 10 million women each year, to create a care-delivery model that will support an episode-payment approach.



In April 2018, Humana announced it launched a national value-based bundled payment model for Maternity Care.

Tennessee Health Care Innovation Initiative



We are **deeply committed** to reforming the way that we pay for healthcare in Tennessee

Our goal is to **pay for outcomes and for quality care**, and to reward strongly performing providers

We plan to have value-based payment account for the **majority of healthcare spend** within the next three to five years





By **aligning on common approaches** we will see greater impact and ease the transition for providers

We appreciate that hospitals, medical providers, and payers have all demonstrated a **sincere willingness** to move toward payment reform

By working together, we can make significant progress toward **sustainable medical costs and improving care**

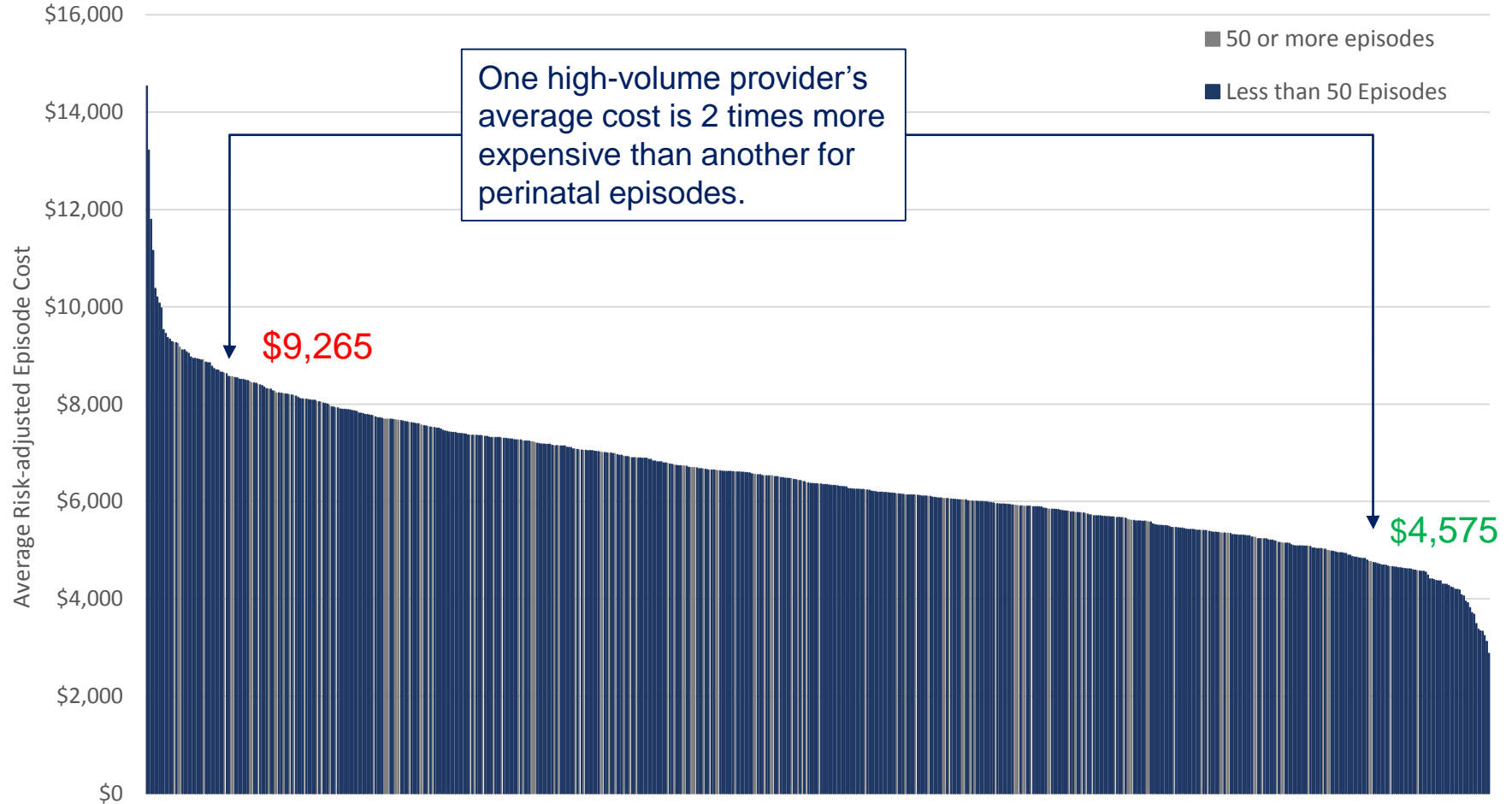
Tennessee Health Care Innovation Initiative:

Three Value-Based Payment Strategies

	Strategy elements	Examples
 <p>Primary Care Transformation</p>  <p>Episodes of Care</p>  <p>Long Term Services & Supports</p> 	<ul style="list-style-type: none"> • Patient Centered Medical Homes • Tennessee Health Link for people with the highest behavioral health needs • Care coordination tool with hospital and ED admission provider alerts <hr/> <ul style="list-style-type: none"> • Episodes of Care for acute and specialist-driven health care delivered during a specific time period to treat a physical or behavioral condition <hr/> <ul style="list-style-type: none"> • Quality and acuity adjusted payments for LTSS services • Value-based purchasing for enhanced respiratory care • Workforce development 	<ul style="list-style-type: none"> • Prevention • Maintaining health • Coordinating specialists • Avoiding preventable episodes of care • Connecting behavioral and primary care <hr/> <ul style="list-style-type: none"> • Perinatal • Total Joint Replacement • Acute Asthma Exacerbation • Colonoscopy • Cholecystectomy • ADHD <hr/> <ul style="list-style-type: none"> • Payment for value and quality in nursing facilities and home and community based services • Training for providers

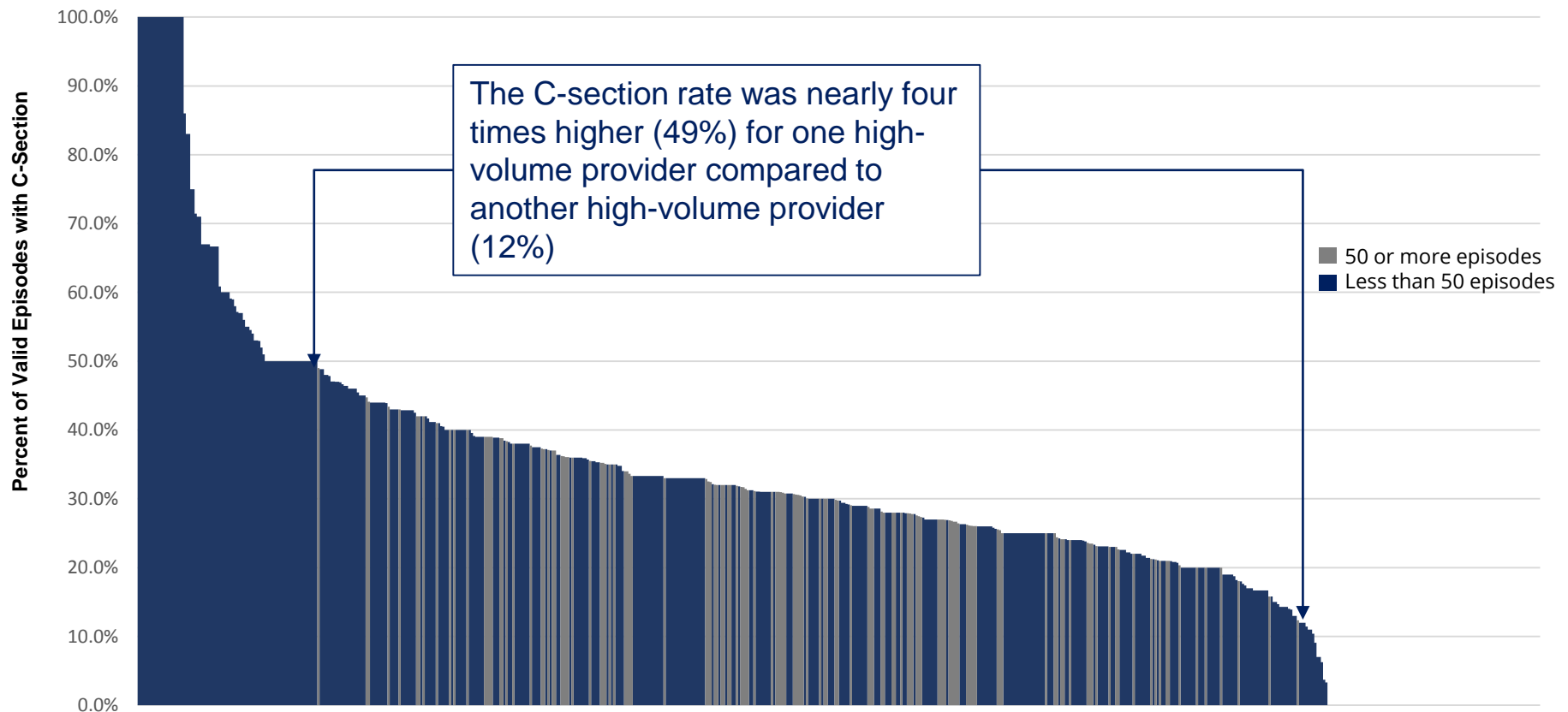
Perinatal Episode Cost Variation

Analysis of Perinatal Episode, CY 2016



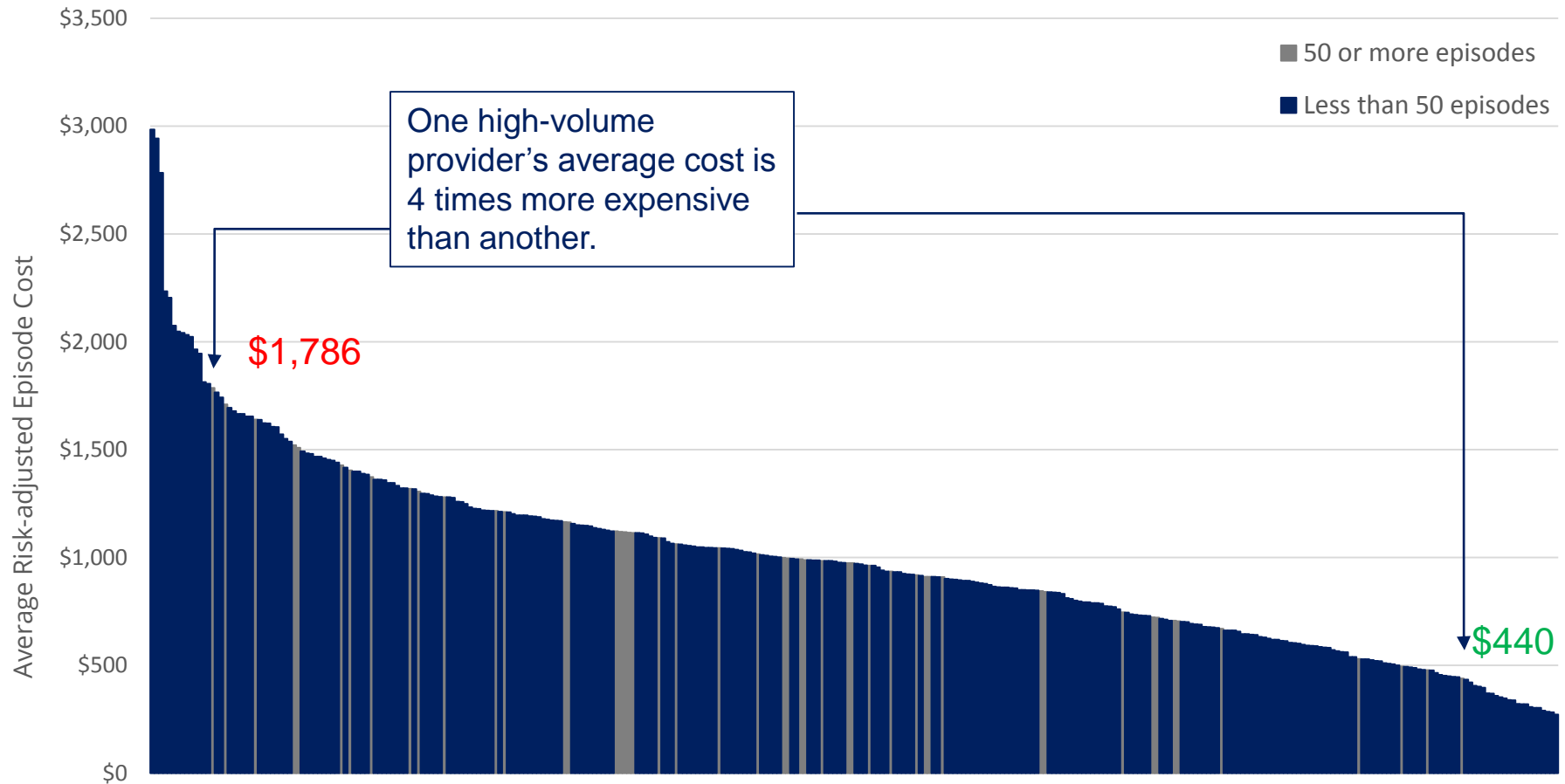
Perinatal Episode Quality Variation

Analysis of C-Section Rate Quality Measure* for Perinatal Episode, CY 2016



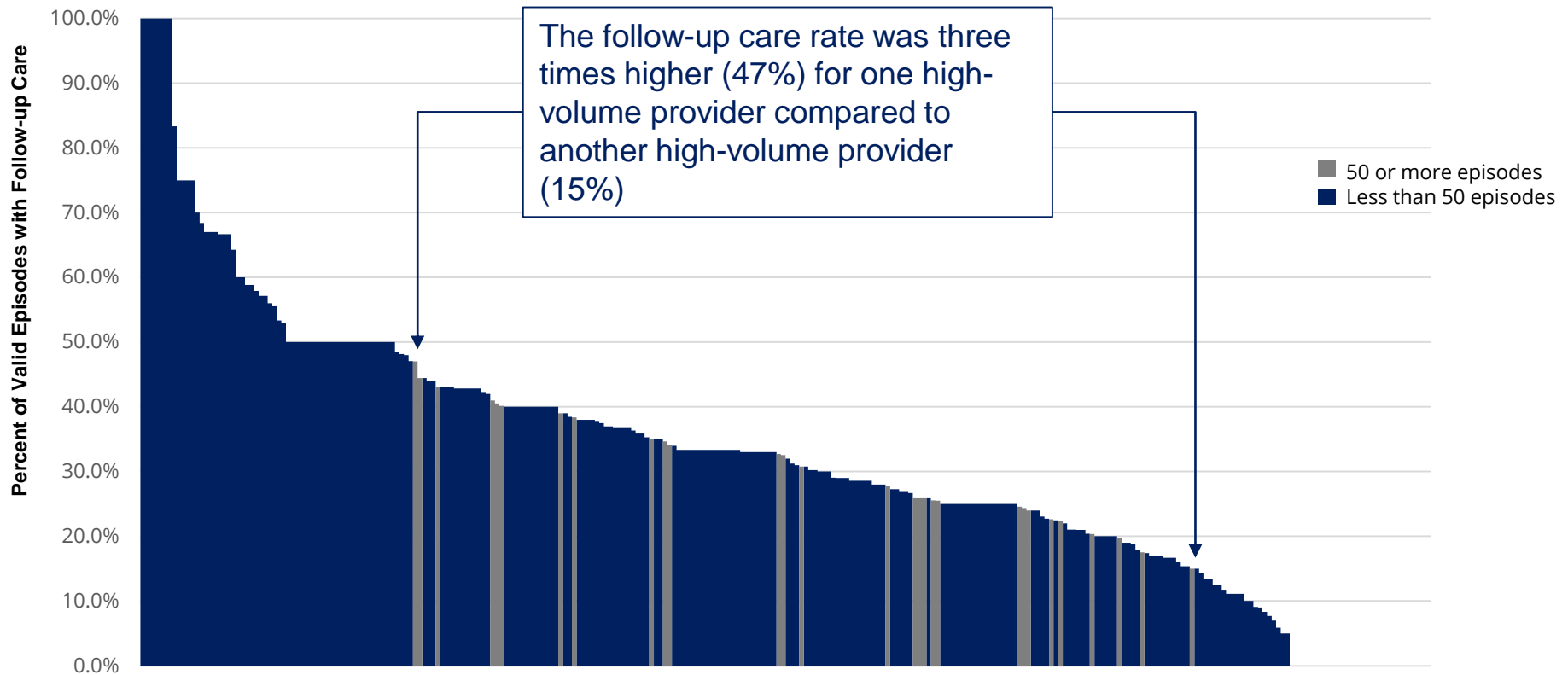
Asthma Episode Cost Variation

Analysis of Acute Asthma Exacerbation Episode, CY 2016



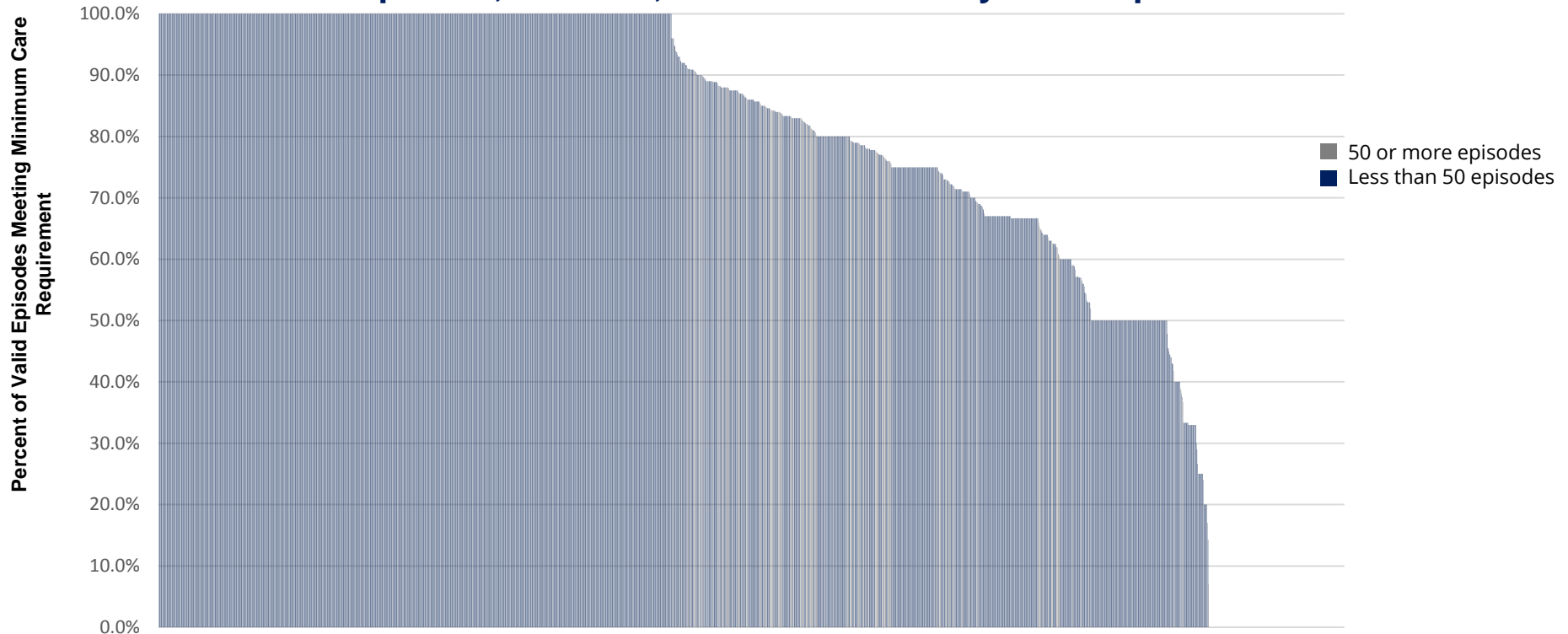
Asthma Episode Quality Variation

Analysis of Follow-up Care Quality Measure for Asthma Episode, CY 2017, Based on February 2018 reports



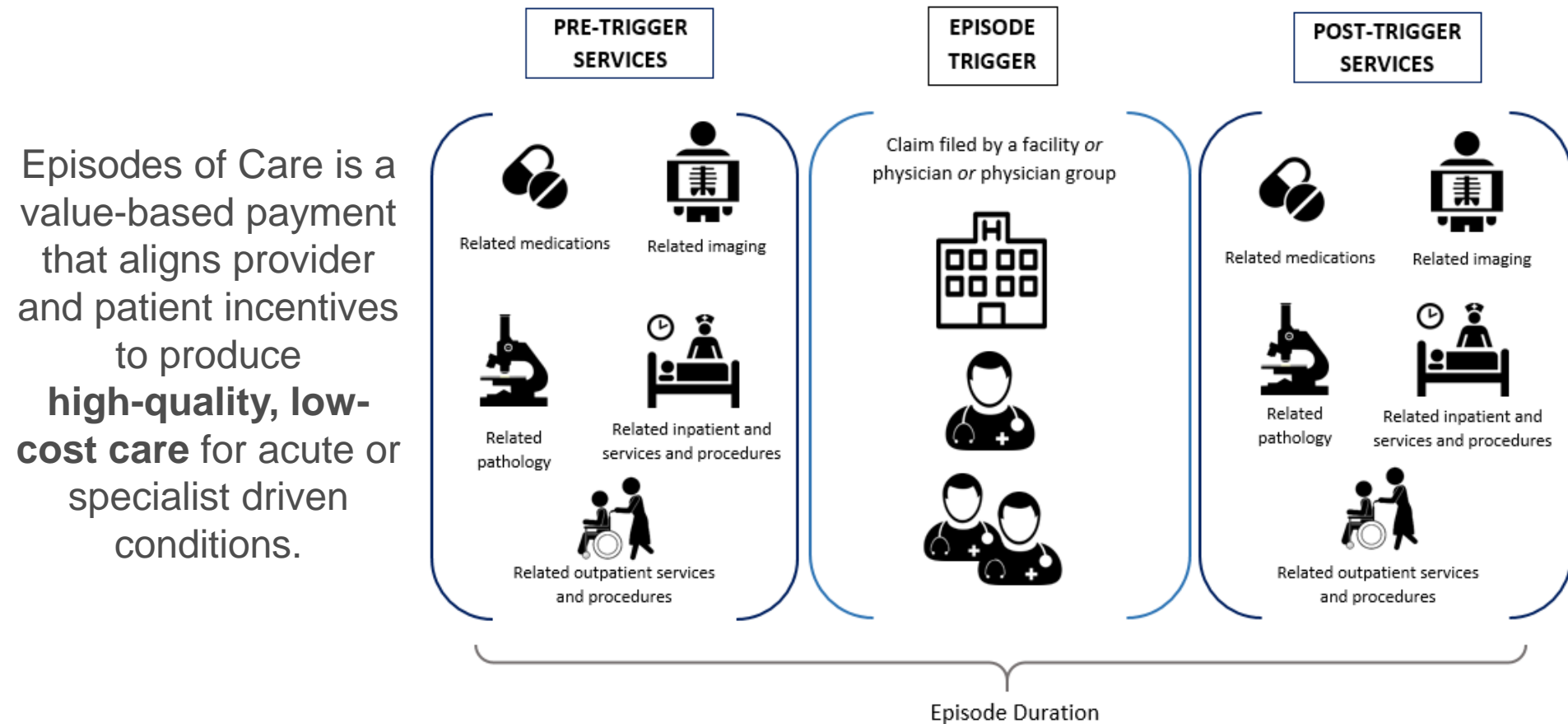
ADHD Episode Quality Variation

Analysis of Minimum Care Requirement Quality Measure*, ADHD Episode, CY 2017, Based on February 2018 reports



*At least 70% of a provider's episodes must have at least five visits that consist of level 1 case management, evaluation and management (E&M) and medication management, therapy visits, or pharmacy claims for the treatment of ADHD in order to pass this quality measure.

Episodes of Care Definition



Each episode is different according to its own design.

To learn more about each episode, please refer to the episode descriptions.

Key Principles

- **Coordinated care** for all services related to a specific condition
- Providers are **accountable** for all pre-specified services across the episode
- High quality, cost-efficient care is **rewarded** beyond current reimbursement

55 Episodes of Care Have Been Designed To Date

Design year & wave			Episode	Design year & wave			Episode	Design year & wave			Episode
2013	1	Perinatal	2016	5	Breast biopsy	2017	8	Acute Seizure			
		Asthma acute exacerbation			Breast cancer, medical oncology*			Syncope			
		Total joint replacement			Breast cancer, Mastectomy*			Acute gastroenteritis			
2014	2	COPD acute exacerbation			Otitis media			Bronchiolitis			
		Colonoscopy			Tonsillectomy			Pediatric pneumonia			
		Cholecystectomy		Non-emergent depression	Colposcopy						
		PCI - acute		Anxiety	Hysterectomy						
		PCI – non acute		Skin and soft tissue infections	Gastrointestinal obstruction						
2015	3	GI hemorrhage		Neonatal (Age 31 weeks or less)*	Appendectomy						
		EGD		Neonatal (Age 32 to 36 weeks)*	Hernia repair						
		Respiratory Infection		Neonatal (Age 37 weeks or greater)*	2018		9	Kidney & urinary tract stones			
		Pneumonia		HIV				Cystourethroscopy			
		UTI - outpatient		Pancreatitis							
	UTI – inpatient	Diabetes acute exacerbation									
	4	ADHD	2017	7		Spinal fusion					
		CHF acute exacerbation			Spinal decompression (without spinal fusion)						
		ODD			Femur / pelvic fracture						
		CABG			Knee arthroscopy						
		Valve repair and replacement			Ankle non-operative injuries						
		Bariatric surgery			Wrist non-operative injuries						
					Shoulder non-operative injuries						
					Knee non-operative injuries						
			Back / Neck pain								

*Episodes are delayed and providers are not receiving reports

Results of Episodes of Care Program

CY 2015

Estimated Savings:*

\$10.8 million

- Providers and hospitals reduced costs while maintaining quality of care
- Gain sharing payments to providers exceeded risk sharing payments by **\$280,000**

Episodes included: perinatal, total joint replacement, acute asthma exacerbation

CY 2016

Estimated Savings:*

\$14.5 million

- Quality measures **improved** for perinatal, total joint replacement, and COPD, and were mostly maintained for the remaining episodes.
- Gain sharing payments to providers exceeded risk sharing payments by **\$395,000**

Episodes included: perinatal, total joint replacement, acute asthma exacerbation, colonoscopy, acute PCI, non-acute PCI, cholecystectomy, COPD



*Compared to 3% projected medical cost trend

Evolving Episodes Through Provider Feedback

Providers have the Opportunity to actively contribute feedback throughout an episode's lifecycle

Episode Lifecycle

Design



Validation



**Preview
Period**



**Performance
Period**



Opportunities for Feedback

- Providers assist with the pre-design phase to develop the base definition of each episode
- The Technical Advisory Group (TAG) meets for about 9-12 hours to design each episode
- Follow-up meetings are held with the TAGs after the validation process to review episode design
- Providers, MCO partners and other stakeholders submit feedback through email, phone calls and in-person meetings
- Monthly provider stakeholder calls
- Annual Episodes Design Feedback Session held in 6 cities across the state

Examples of changes made based on previous Annual Episode Design Feedback Sessions

1

All episode overlapping episode exclusion: The state has committed to creating a general approach to multiple episodes running concurrently which will be effective for the 2018 performance period.

2

All Episode lower stop loss limit: The state accepted stakeholder feedback and reduced the stop loss calculation to be 25% of the amount paid to the quarterback for all valid episodes in the performance period, effective for the 2018 performance period.

3

All episodes—exclude children in Department of Children's Services (DCS): Based on stakeholder feedback, the state accepted the recommendation to create an exclusion in every episode for children in DCS. This change was effective for 2017.

4

All episodes risk sharing below \$100 waived: In 2016, the state created a rule that risk sharing payments that are less than \$100 are waived by the MCOs.

5

Pneumonia episode exclusion for children: The state accepted stakeholder recommendations to exclude children from the Pneumonia episode. Also, two new episodes were created: Pediatric Pneumonia and Bronchiolitis.

6

ADHD, ODD, anxiety, non-emergent depression exclusion for homelessness: The state accepted stakeholder recommendations to create a clinical exclusion for homelessness for ADHD, ODD, anxiety, and non-emergent depression.

7

Perinatal exclusion for contraceptive cost: The state updated the perinatal episode to ensure that no cost related to contraceptives is included in the perinatal episode spend.

8

Colonoscopy—split “prior colonoscopy” quality metric: The state accepted a stakeholder recommendation to split the “prior colonoscopy” quality metric into two separate quality metrics: “prior screening and surveillance colonoscopy” and “prior diagnostic colonoscopy.” This allows Quarterbacks to better pinpoint potential sources of overutilization within care.

Examples of changes made based on previous Annual Episode Design Feedback Sessions (continued)

9

Perinatal—exclude maternal Fetal Medicine Specialists from quarterback attribution:

The state accepted the recommendation to create an exclusion that prevents Maternal Fetal Medicine Specialists from becoming a Quarterback in the Perinatal episode. This was effective in 2016.

10

Cholecystectomy—exclude chronic pancreatitis: In 2016, stakeholders recommended that chronic pancreatitis be a clinical exclusion for Cholecystectomy.

11

Total Joint Replacement—exclude unrelated codes: In 2016, there were codes included in the episode that stakeholders stated were unrelated to the Total Joint Replacement, such as congenital anomalies and diseases of the musculoskeletal system. The state accepted this feedback and excluded these codes for the 2017 performance period.

12

Asthma Acute Exacerbation appropriate medications quality metric: The state accepted stakeholder recommendations to expand the appropriate medications quality metric to include both the trigger and post trigger window, in order to include medications administered during the hospital stay.

Sample of Episode Feedback Received in 2018

Episode Type	Feedback
All	<ul style="list-style-type: none">▪ Create a low volume exclusion for quarterbacks with a minimum number of episodes.
All	<ul style="list-style-type: none">▪ Exclude medication spend from total episode spend.
All	<ul style="list-style-type: none">▪ Exclude inpatient facility spend from total episode spend.
All	<ul style="list-style-type: none">▪ Analyze impact of negotiated rates on episode performance and report results to stakeholders.
All	<ul style="list-style-type: none">▪ Provide electronic format of the pdf quarterly summary episode report
All	<ul style="list-style-type: none">▪ The thresholding analysis should include considerations of other changes related to the episode or market that also could contribute to changes in cost or quality.
All	<ul style="list-style-type: none">▪ One vendor should administer the state's episode program.

Brittany Cunningham

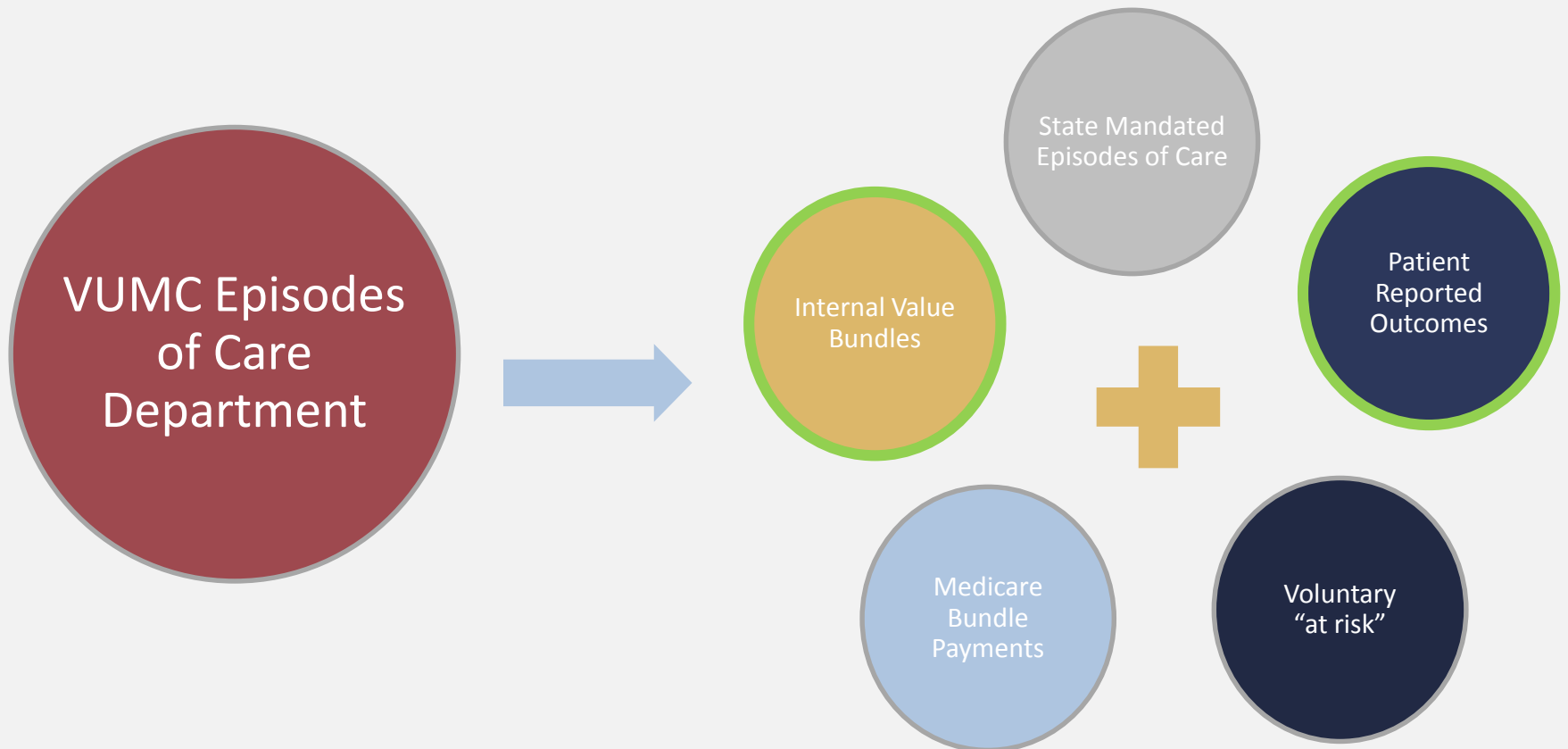
Director of Episodes of Care and Population Health
Vanderbilt University Medical Center

*Provider experience with
episodes and value based payment.*

Episodes of Care Implementation

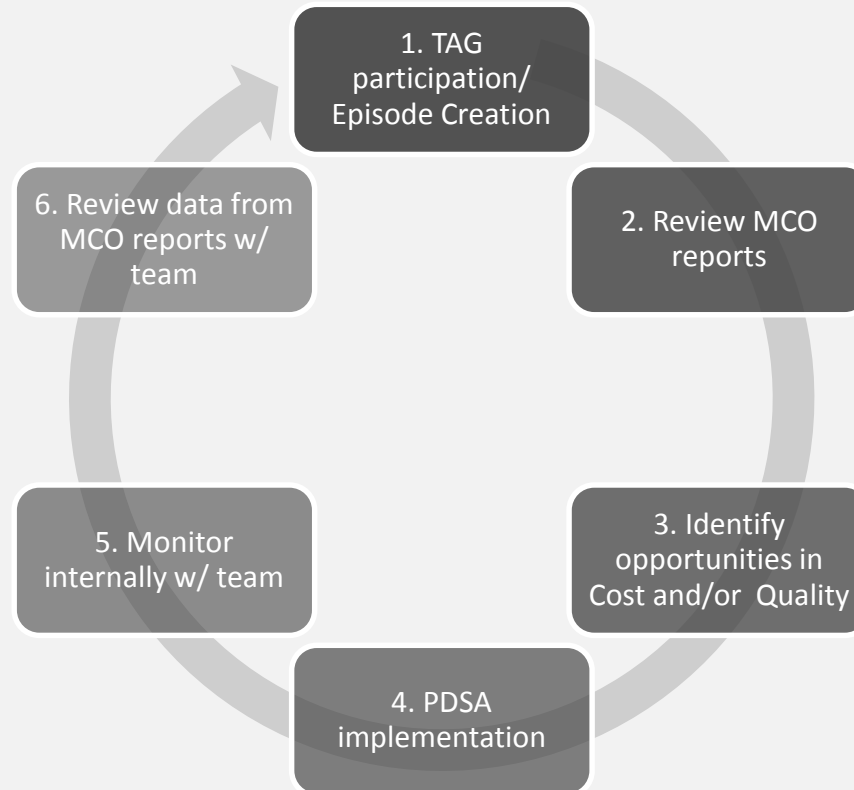
Brittany Cunningham, RN, MSN, CSSBB
Director, Episodes of Care, Population Health
Vanderbilt University Medical Center

VUMC Episodes of Care Program

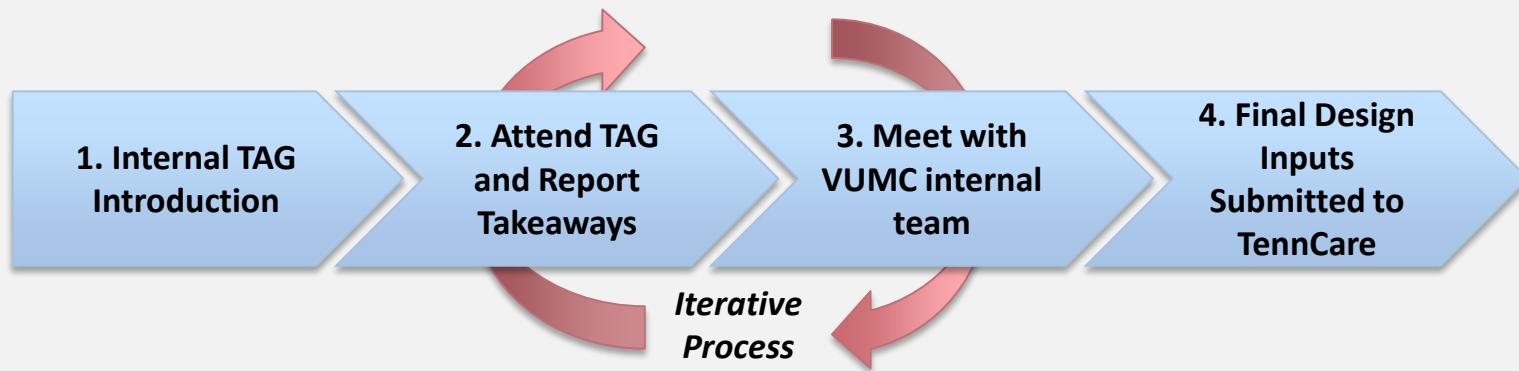


Created and Adopted Episodes of Care Playbook

1: Setup 2: Analyzing and Initiating 3: Developing Interventions 4: Testing Interventions 5: Hardwiring Successes 6: Monitoring & Sustaining



VUMC TAG Process & Lessons Learned



Lessons Learned:

- Having appropriate clinical representation is key to success of TAG
 - Focus on evidence based practice and outcomes for patient

Creating change in Value

*Value =
(30-day check-in)*

QUALITY

87% reduction in door-to-CT time for ED triage pt

48% reduction in lab result time

5% reduction in door-to-OR time

100% conversion to using the patient's real name

COST

Decreased RLOS by **24%** (1 day)

Optimized use of OT/PT resources (eliminated waste in system)

Improved order accuracy (dual energy order)

Reduced readmissions **1%** (specific DRGs)

*VUMC Stroke Program, results 4/2018

Why Value Based Payments?

- Creates more Value to the patient
- Better transparency between providers and payers
- Incentives for change
- Pulls teams together for a common purpose

Stakeholder Feedback

Please Use This
Format When
Sharing Feedback:

- 1 *Your Name*
- 2 *Your Organization*
- 3 *Episode Type(s)*
- 4 *Design Dimension*

Design Dimensions	
	Triggers
	Quarterbacks
	Included Spend
	Risk adjustment and Exclusions
	Quality Measures
General Episode Feedback	

Next Steps Following this Feedback Session

- **Review** all feedback received both prior and during the feedback session
- **Analyze** the potential changes and possible impact on episode design
- **Release** memo summarizing changes to episode design in the late-summer
- **Incorporate** changes that need to be made for the 2019 performance period

Thank you for participating!

Please email payment.reform@tn.gov with any questions or visit our website at:
<https://www.tn.gov/tenncare/health-care-innovation/episodes-of-care.html>